



Billing Code 7510-13

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

**48 CFR Parts 1842 and 1852**

**RIN 2700-AE14**

**NASA Federal Acquisition Regulation Supplement: Denied Access  
to NASA Facilities (2015-N002)**

**AGENCY:** National Aeronautics and Space Administration.

**ACTION:** Final rule.

**SUMMARY:** NASA is issuing a final rule amending the NASA Federal Acquisition Regulation Supplement (NFS) to delete the observance of legal holidays clause with its alternates and replace it with a new clause that prescribes conditions and procedures pertaining to the closure of NASA facilities.

**DATES:** Effective: **[Insert date 30 days after publication in the  
FEDERAL REGISTER.]**

**FOR FURTHER INFORMATION CONTACT:** Andrew O'Rourke, NASA Office of Procurement, Contract and Grant Policy Division, 202-358-4560, email: [andrew.orourke@nasa.gov](mailto:andrew.orourke@nasa.gov).

**SUPPLEMENTARY INFORMATION:**

**I. Background**

A proposed rule was published on May 13, 2015 (80 FR 27278) to delete NASA FAR Supplement (NFS) clause 1852.242-72,

Observance of Legal Holidays with its alternates and replace it with a new clause that prescribes conditions and procedures pertaining to the closure of NASA facilities. NFS clause 1852.242-72, Observance of Legal Holidays with its alternates, was included in Agency contracts where contractor performance was to be performed on a NASA facility. It was intended to identify dates that Government employees would not be available and provide notification to contractors of those dates considering that the absence of Government employees might impact contractor performance or contractor access to NASA facilities. Further, the same clause has two alternates, the first addresses contractors who are denied access to NASA workspaces within a NASA facility and the second addresses other instances, such as weather and safety emergencies, which could result in contractors being denied access to the entire NASA facility. Recent events, especially the Government shut-down during October 2013, have revealed a need for NASA to be more specific and to differentiate between these two conditions when contractor employees may be denied access to NASA workspaces or the entire NASA facility. The fact that Government employees may not be at a NASA facility is not an automatic reason for contractor personnel not to be required to be present at their required NASA workspace on a NASA facility. Unless a contractor is denied access to the NASA facility, contractors are expected

to perform in accordance with their contractual requirements. This NFS change provides clarity and information beneficial to NASA contractors that are denied access to a NASA facility when a NASA facility is closed to all personnel. Specifically, the change deletes the prescription at NFS 1842.7001, Observance of Legal Holidays, in its entirety, and clause 1852.242-72, Observance of Legal Holidays, with alternates, and replaces it with the prescription at NFS 1842.7001 Denied Access to NASA Facilities and clause 1852.242-72, Denied Access to NASA Facilities, respectively. The clause would be included in solicitations and contracts where contractor personnel would be required to work onsite at a NASA facility.

## **II. Discussion and Analysis.**

NASA published a proposed rule in the **FEDERAL REGISTER** on May 13, 2015 (80 FR 27278). The sixty-day public comment period expired on July 13, 2015. NASA received comments from one respondent. NASA reviewed the respondent's comments in the formation of the final rule. No revisions to the proposed rule were made as a result of the public comments received. A discussion of the comments is provided as follows:

### *A. Retain Existing Language*

*Comment:* The respondent submitted a comment indicating that it was in the best interest of both NASA and NASA contractors to

retain the language of 48 CFR parts 1842 and 1852 as it currently exists.

*Response:* NASA disagrees with retaining the existing NFS clause. As stated in the proposed rule, there was a need for NASA to be more specific when contractor employees may be denied access to NASA workspaces or the entire NASA facility. This revision to the NFS provides this clarity with information that is beneficial to both the Government and NASA contractors who are denied access to a NASA facility when that facility is closed to all personnel.

*B. Revised Language is Less Clear*

*Comment:* The respondent submitted a comment stating that the revised language in the proposed rule is actually less clear than the current "Holidays" clause and may adversely impact consistency of application. The respondent stated that the revised language suggests that direction from the contracting officer may or may not be forthcoming; the contractor "minimize unnecessary contract costs and performance impact" by performing work off-site or having personnel perform other duties makes it wholly unclear what NASA's expectations of the contractor may be, and what potential financial losses may or may not be incurred, depending on various circumstances. The respondent stated the proposed revised language creates a significantly increased potential for inconsistent interpretation not only for

contractors at different NASA installations, but for different contractors at the same NASA installation.

*Response:* NASA disagrees that the revised clause is less clear and may have inconsistent application. The revised clause indicates that the contractor shall exercise sound judgment to minimize unnecessary contract costs and provides examples of such actions. The examples are provided for the contractor to consider and not to limit the contractor. The revised clause will be included in NASA solicitations and contracts where contractor personnel would be required to work onsite at a NASA facility and NASA does not agree that there is potential for inconsistent interpretation or application.

### *C. Violations of the Anti-Deficiency Act*

*Comment:* The respondent submitted a comment stating the proposed language may lead to unintentional, but consequential, violations of the Anti-Deficiency Act (31 U.S.C. 1341), to the financial detriment of contractor organizations. The respondent indicated that their issue is with the proposed revised clause 1852.242-72 paragraph (a) (3) (b), and the respondent's concern that implementation of this clause will set up inevitable competitive pressure (even if self-imposed) for contractors to compel their employees to continue NASA contract work off-site or through teleworking in the event of a NASA installation closure (regardless of the reason for the closure), even in the

absence of approval that such work will be covered as an allowable cost. Should such costs then subsequently not be allowed, this could effectively place NASA as an agency in the role of accepting voluntary services from the contractor and its employees, and clearly imposes a financial risk for the Contractor that is not imposed by the current language of 1852.242-72.

*Response:* NASA disagrees that the revised clause may lead to violations of the Anti-Deficiency Act (31 U.S.C. 1341). The revised clause indicates that in all instances where contractor employees are denied access or required to vacate a NASA facility, in part or in whole, the contractor shall be responsible to ensure contractor personnel working under the contract comply and the contractor shall exercise sound judgment to minimize unnecessary contract costs and performance. The revised clause provides an example for contractors to consider e.g. performing required work off-site. The revised clause does not require contractors to compel their employees to continue NASA contract work off-site or through teleworking; the revised clause merely provides an example for contractors to consider in meeting the contract requirements in the event of a NASA facility closure. NASA does not agree that taking a prudent business decision in the event of a NASA facility closure will lead to violation of the Anti-Deficiency Act (31 U.S.C. 1341).

D. *Increased Administrative Burden*

*Comment:* The respondent stated that the proposed language may lead to increased, versus decreased, administrative burden for both NASA and on-site contractors, resulting in a decrease of value delivered to the Government. The respondent indicated that contractors will need to develop revised employee policies that cover all contingencies of the revised language of 1852.242-72. Contractors will need to vet the language of these policy changes with their employment attorneys, adding costs that will ultimately be included in indirect rates. The respondent indicated that the administrative burden to fully and fairly implement revised 1852.242-72 would be increased for both contractors and NASA.

*Response:* NASA does not agree that the revised clause may lead to increased administrative burden for both NASA and on-site contractors. Contractors performing work on a NASA facility should already have established company policies to cover events referenced in the revised clause such as policy related to Federal public holidays. Also, since the revised clause will be included in NASA solicitations a company interested in submitting a proposal would review applicable company policies as part of the proposal preparation and address changes, if any, at that time with little to no additional cost or administrative burden.

E. *Institutionalize a "Two-Class" System*

*Comment:* The respondent stated that the proposed revised clause 1852.242-72 would institutionalize a "two-class" system of treatment of Government employees versus contractor employees, to the detriment of effective teamwork and morale. The respondent indicated that that the proposed revised clause would create competitive pressure for contractors to require their employees to work off-site or telework during virtually all circumstances when NASA installations may be closed, when no such requirement will apply to Federal employees. The respondent stated that in reference to the proposed revised clause 1852.242-72 paragraph (e)(1), which states that "Moreover, the leave status of NASA employees shall not be conveyed or imputed to contractor personnel." The respondent saw no compelling reason why a decision by an appropriately empowered federal official to grant Federal employees leave under appropriate circumstances should not be conveyed to contractor employees, along with appropriate guidance from the contractor as to whether or not contractor employees are to report to work. The responded noted that inconsistent treatment of contractor employees, as compared to their Federal colleagues under the same circumstances, would become institutionalized by the proposed revised clause and would be detrimental to teamwork and morale.



*Response:* NASA does not agree. While NASA federal and contractor employees are members of the same NASA team, different standards apply to the various members of the team. NASA acquires services from contractors utilizing nonpersonal services contracts. A nonpersonal services contract means a contract under which the personnel rendering the services are not subject, either by the contract's terms or by the manner of its administration, to the supervision and control usually prevailing in relationships between the Government and its employees (see FAR 37.101). A personal services contract is characterized by the employer-employee relationship it creates between the Government and the contractor's personnel. The Government is normally required to obtain its employees by direct hire under competitive appointment or other procedures required by the civil service laws. Obtaining personal services by contract, rather than by direct hire, circumvents those laws unless Congress has specifically authorized acquisition of the services by contract. Agencies are prohibited from awarding personal services contracts unless specifically authorized by statute to do so. An employer-employee relationship under a service contract occurs when, as a result of (i) the contract's terms or (ii) the manner of its administration during performance, contractor personnel are subject to the relatively continuous supervision and control of a Government officer or

employee (see FAR 37.104). In addition, the leave administration for Federal employees is covered under title 5 of the United States Code and title 5 of the Code of Federal Regulations. The leave administration for a contractor is covered under the contractor's company policy. Therefore, the revised clause language is correct and the leave status of NASA Federal employees shall not be conveyed or imputed to contractor personnel.

### **III. Executive Orders 12866 and 13563**

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This rule is not a significant regulatory action under section 3(f) of Executive Order 12866. This rule is not a major rule under 5 U.S.C. 804.

### **IV. Regulatory Flexibility Act**

NASA certifies that this final rule will not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5

U.S.C. 601, *et seq.*, because it provides clarity and information beneficial to NASA contractors that are denied access to a NASA facility when a NASA facility is closed. The rule imposes no new reporting requirements. The rule does not duplicate, overlap, or conflict with any other Federal rules. No alternatives were identified that would meet the objectives of the rule. No comments from small entities were submitted in reference to the Regulatory Flexibility Act request in the proposed rule.

#### **V. Paperwork Reduction Act**

The Paperwork Reduction Act (Pub. L. 104-13) does not apply because this final rule contains no information collection requirements that require the approval of the Office of Management and Budget under 44 U.S.C. 3501, *et seq.*

#### **List of Subjects in 48 CFR Parts 1842 and 1852.**

Government procurement.

**Manuel Quinones,**

*Federal Register Liaison.*

Accordingly, 48 CFR parts 1842 and 1852 are amended as follows:

#### **PART 1842—CONTRACT ADMINISTRATION AND AUDIT SERVICES**

1. The authority citation for part 1842 is revised to read as follows:

**Authority:** 51 U.S.C. sec. 20113 and 48 CFR chapter 1.

2. Revise subpart 1842.70 to read as follows:

**Subpart 1842.70—Additional NASA Contract Clauses**

**1842.7001 Denied Access to NASA Facilities.**

The contracting officer shall insert the clause at 1852.242-72, Denied Access to NASA Facilities, in solicitations and contracts where contractor personnel will be working onsite at a NASA facility such as: NASA Headquarters and NASA Centers, including Component Facilities and Technical and Service Support Centers. For a list of NASA facilities see NPD 1000.3 "The NASA Organization". The contracting officer shall not insert the clause where contractor personnel will be working onsite at the Jet Propulsion Laboratory including the Deep Space Network Communication Facilities (Goldstone, CA; Canberra, Australia; and Madrid, Spain).

**PART 1852—SOLICITATION PROVISIONS AND CONTRACT CLAUSES**

3. The authority citation for part 1852 continues to read as follows:

**Authority:** 51 U.S.C. 20113(a) and 48 CFR chapter 1.

4. Revise section 1852.242-72 to read as follows:

**1852.242-72 Denied Access to NASA Facilities.**

As prescribed in 1842.7001, insert the following clause:

**Denied Access to NASA Facilities**

**(Insert abbreviated Month and Year 30 days after publication in  
the FEDERAL REGISTER)**

(a) (1) The performance of this contract requires contractor employees of the prime contractor or any subcontractor, affiliate, partner, joint venture, or team member with which the contractor is associated, including consultants engaged by any of these entities, to have access to, physical entry into, and to the extent authorized, mobility within, a NASA facility.

(2) NASA may close and or deny contractor access to a NASA facility for a portion of a business day or longer due to any one of the following events:

(i) Federal public holidays for federal employees in accordance with 5 U.S.C. 6103.

(ii) Fires, floods, earthquakes, unusually severe weather to include snow storms, tornadoes and hurricanes.

(iii) Occupational safety or health hazards.

(iv) Non- appropriation of funds by Congress.

(v) Any other reason.

(3) In such events, the contractor employees may be denied access to a NASA facility, in part or in whole, to perform work required by the contract. Contractor personnel already present at a NASA facility during such events may be required to leave the facility.

(b) In all instances where contractor employees are denied access or required to vacate a NASA facility, in part or in whole, the contractor shall be responsible to ensure contractor personnel working under the contract comply. If the circumstances permit, the contracting officer will provide direction to the contractor, which could include continuing on-site performance during the NASA facility closure period. In the absence of such direction, the contractor shall exercise sound judgment to minimize unnecessary contract costs and performance impacts by, for example, performing required work off-site if possible or reassigning personnel to other activities if appropriate.

(c) The contractor shall be responsible for monitoring the local radio, television stations, NASA websites, other communications channels, for example contracting officer notification, that the NASA facility is accessible. Once accessible the contractor shall resume contract performance as required by the contract.

(d) For the period that NASA facilities were not accessible to contractor employees, the contracting officer may—

- (1) Adjust the contract performance or delivery schedule for a period equivalent to the period the NASA facility was not accessible;

- (2) Forego the work;

(3) Reschedule the work by mutual agreement of the parties;  
or

(4) Consider properly documented requests for equitable adjustment, claim, or any other remedy pursuant to the terms and conditions of the contract.

(e) Notification procedures of a NASA facility closure, including contractor denial of access, as follows:

(1) The contractor shall be responsible for monitoring the local radio, television stations, NASA websites, other communications channels, for example contracting officer notification, for announcement of a NASA facility closure to include denial of access to the NASA facility. The contractor shall be responsible for notification of its employees of the NASA facility closure to include denial of access to the NASA facility. The dismissal of NASA employees in accordance with statute and regulations providing for such dismissals shall not, in itself, equate to a NASA facility closure in which contractor employees are denied access. Moreover, the leave status of NASA employees shall not be conveyed or imputed to contractor personnel. Accordingly, unless a NASA facility is closed and the contractor is denied access to the facility, the contractor shall continue performance in accordance with the contract.

(2) NASA's Emergency Notification System (ENS). ENS is a NASA-wide Emergency Notification and Accountability System that

provides NASA the ability to send messages, both Agency-related and/or Center-related, in the event of an emergency or emerging situation at a NASA facility. Notification is provided via multiple communication devices, e.g. E-mail, text, cellular, home/office numbers. The ENS provides the capability to respond to notifications and provide the safety status. Contractor employees may register for these notifications at the ENS website:

<http://www.hq.nasa.gov/office/ops/nasaonly/ENSinformation.html>.

(End of clause)

[FR Doc. 2015-21584 Filed: 8/31/2015 08:45 am; Publication Date: 9/1/2015]